



UNIVERSITI
TEKNOLOGI
MARA

MATHEMATICS AND STATISTICS

UNDERGRADUATE RESEARCH PROCEEDINGS 2025

UiTM CAWANGAN NEGERI SEMBILAN



Evaluating Students' Level of Financial Management: A Case Study

Nora Mohd Basir^{1*}, Nurafrina Batrisyia Johari¹

¹ College of Computing, Informatics and Mathematics, Universiti Teknologi MARA (UiTM)
Cawangan Negeri Sembilan, Kampus Seremban, 70300 Seremban Negeri Sembilan, Malaysia

*noram661@uitm.edu.my

Abstract

Financial management is crucial for students as it helps them manage their money effectively, ensuring they can cover essential expenses like tuition, books, and living costs. In order to ensure future financial stability, it also imparts essential skills such as debt management, investing, and saving. By engaging in sound financial management practices, students can reduce stress, avoid unnecessary debt, and lay the groundwork for long-term financial well-being. Thus, this study attempts to identify students' level of financial management. 398 students from one of the public universities in Negeri Sembilan were selected as a sample to answer the online survey. The analysis results show that 78.6% of the students are classified as manageable in managing finances and 21.4% as unmanageable. Hence, it is hoped that students' financial management awareness will increase and they can achieve better stability and security throughout their lives.

Keywords: Financial management, Financial stability, Public universities, Students

Introduction

Financial management is an essential life skill everyone must master, especially in today's rapidly evolving financial landscape. Technological advancements have transformed financial services and products, making financial decision-making more complex. The vast array of financial products and global economic uncertainties require consumers to navigate increasingly complicated financial choices. The rapid growth of technology has expanded the role of financial services and enhanced accessibility to evolving tools such as online and mobile banking. Additionally, consumers can now purchase goods and services more easily and quickly than ever. However, individuals must develop strong financial literacy and management skills to make informed financial decisions in this digital era.

Achieving financial stability and success requires effective financial management, which involves planning, budgeting, and exercising financial control. This skill is particularly crucial for students in higher education as they transition into adulthood and experience financial independence for the first time. This transition is vital to managing expenses, handling debt, and making responsible financial choices. Mastering these skills impacts students' academic experiences and lays the foundation for their long-term financial well-being. Money plays a crucial role in everyday life, as many needs and responsibilities cannot be met without it. While some may argue that money is not the key to happiness, it remains a fundamental necessity for nearly all aspects of life. Students often experience financial pressures stemming from increasing tuition fees, living expenses, and the necessity of educational loans. According to [1] the demands of life and current financial needs in higher education institutions can be quite



challenging. As financial demands increase, applications for financial aid have risen, reflecting the growing economic challenges students face.

University and college students, in particular, must develop sound financial management habits, as their financial behavior has long-term implications for their post-graduation lives. To help students balance their needs with the available financial resources, students must be financially literate and skilled [4]. Poor financial management can lead to high debt levels, academic struggles, and psychological stress, whereas strong financial skills empower students to make informed choices, achieve financial goals, and maintain a balanced lifestyle throughout their academic journey.

Given the growing financial pressures on students, financial management has become a critical area of study. Students must have financial knowledge and skills to align their needs with available financial resources [4]. Many students tend to overspend on non-essential items, such as branded products and luxury goods, without considering the long-term consequences. Additionally, a significant number of students take on part-time jobs to supplement their income and afford off-campus living expenses [2]. Effective money management enables individuals to make sound financial decisions that promote resilience, stability, and growth. Budgeting, responsible spending, and debt avoidance are key aspects of financial well-being. For instance, a student who carefully prepares a monthly budget, tracks income from a part-time job, and allocates funds for tuition, rent, and groceries can maintain financial stability and avoid unnecessary debt. Without such financial discipline, students risk accumulating high-interest credit card debt, which can become increasingly difficult to repay over time, ultimately jeopardising their financial security.

Thus, this study aims to assess students' financial management levels and provide insights that can help students, educators, universities, policymakers, and financial institutions develop targeted interventions. The findings will enhance financial literacy and promote better financial management practices among students, ensuring their long-term financial success.

Methodology

Students from a public university in Negeri Sembilan were selected as the target population for this study. A simple random sampling method was employed, as a sampling frame of students was accessible from the university administration. A total of 398 questionnaires were distributed to the chosen students via Telegram. The questionnaire was adapted from [3] and organised into two sections. Section A aimed to collect demographic information from respondents, including gender, primary source of finance, monthly income, and savings. Section B evaluated students' financial management skills through seven questions using a 5-point Likert scale. The data was analysed using descriptive analysis. A binary result derived from respondents' overall scores on the financial management questionnaire where a total score between 9 and 21 is divided into "unmanageable", denoting less successful money management techniques. The manageable, which reflects better financial management techniques, is made up of respondents with scores between 22 and 35. Therefore, this study used a table to provide clear descriptions of datasets, identify patterns, gain insights into the information, and effectively communicate key variables.



Results and Discussion

After a thorough data collection, the responses of 398 participants were analysed. This analysis was crucial in constructing a clear and detailed profile of the respondents, highlighting their individual characteristics to uncover significant insights and trends within the data effectively.

Table 1: Descriptive Information

	Frequency	%
Gender		
Female	306	76.9
Male	92	23.1
Savings		
No	108	27.1
Yes	290	72.9
Main Source of Finance		
Family	170	42.7
Scholarship	42	10.6
Self-Finances	13	3.3
Study Loan	173	43.5
Total	398	100.0

Table 1 shows that 76.9% of the respondents are female, with the remaining 23.1% being male. Moreover, 72.9% of respondents allocate a portion of their income to monthly savings, while 27.1% do not. Regarding financial sources, most students depend on study loans and family support, accounting for 43.5% and 42.7%, respectively. Meanwhile, scholarships provide funding for 10.6% of students, and 3.3% rely on self-financing as their primary source.

In examining student financial management, the five-point Likert scale (Strongly disagree, Disagree, Neutral, Agree and Strongly agree) was divided into two groups for analysis. Disagree and Strongly Disagree responses were grouped as less proactive financial management (Unmanageable), while Neutral, Agree, and Strongly Agree were merged and classified as proactive financial management (Manageable). This method makes it easier to compare students who actively manage their finances and those who are less engaged. Table 2 indicates that 67.9% of respondents demonstrate a proactive approach and a strong commitment to controlling their spending, while 32.2% are less engaged. Most people prioritize saving money, with 69.1% actively putting money aside, while 30.9% are less likely to do so. Moreover, 40.7% of the respondents do not prioritize this habit, while 59.3% of the respondents proactively plan their daily expenses. Another sign of financial discipline is creating a careful monthly budget, which 57.1% of the proactive group and 42.9% of the less proactive group adopt. 59.5% of the respondents said that they track their purchases to keep costs down, while 40.5% said that they do so less frequently. The most proactive shopping behaviour is comparing prices of goods when shopping, with 76.6% of consumers doing so, compared to only 23.3% who do not. Lastly,



64.9% of people have a habit of planning for unforeseen costs, whereas 35.1% are less ready for unforeseen financial circumstances.

Table 2: Percentage of Financial Management Statement

Financial Management	Level of Agreement					Total Row
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	%					
I spend money according to the budget that I have made.	0.8	7.8	23.6	46.5	21.4	100.0
I set aside some of my money for savings	2.8	6.5	21.6	48.2	20.9	100.0
I plan my daily expenses.	2.8	11.1	26.9	41.7	17.6	100.0
I will follow a careful monthly budget.	3.0	11.3	28.6	40.5	16.6	100.0
I always take note of every purchase I make to limit the expenses	2.8	13.8	23.9	42.7	16.8	100.0
I always compare the prices goods when shopping.	0	7.0	16.3	42.7	33.9	100.0
I prepare for unexpected expenses	3.3	8.5	23.4	40.5	24.4	100.0

Table 3 provides a summary of students' financial management levels at public universities in Negeri Sembilan, addressing the objective of identifying how well students manage their finances. Among the 398 students, 313 (or 78.6%) indicated that they could handle their finances effectively. In contrast, the remaining 21.4% reported difficulties in managing their finances. Overall, the study findings reveal that most of the students demonstrated effective financial management skills.

Table 3: Level of Students' Financial Management

Level	Frequency	%
Unmanageable	85	21.4
Manageable	313	78.6
Total	398	100.0



Conclusion and Recommendations

The assessment aimed at determining students' financial management skills revealed that the majority of students handle their finances wisely. Specifically, 78.8% are classified as "manageable" in their financial behavior, which suggests a positive outcome. This is an excellent result. However, it is important to acknowledge that a subset of students, 21.4%, are deemed "unmanageable" and appear to struggle with effectively managing their money. This research emphasises the importance of targeted educational programs and awareness campaigns to address the knowledge gap in financial management and ensure a better understanding of its impact on future income stability. Therefore, the responsible persons, particularly the educator and the university, should collaborate with financial institutions to lead an awareness campaign to enhance students' understanding of money management. Ultimately, effective financial management empowers students to achieve their goals and secure a stable future.

To thoroughly explore students' financial management skills, future research should be conducted on a larger scale, extending beyond just university students. Studying a diverse group of students offers valuable insights into financial management dynamics across different demographics. A comprehensive understanding requires a broad and varied sample size that includes individuals from various groups and socioeconomic backgrounds. This inclusive approach ensures a more representative and practical analysis of the wider population's financial management capabilities. By expanding the focus beyond just students, researchers can obtain more accurate evidence of societal skills in managing finances. This, in turn, can aid in developing targeted interventions and educational campaigns that address the different perspectives and experiences related to financial management across various segments of the population.

Acknowledgments

We sincerely thank each member for their unwavering support and commitment to ensuring this article was published successfully.

References

- [1] Barr, M. J., & McClellan, G. S. (2018). Budgets and financial management in higher education. John Wiley & Sons.
- [2] Douglas, D., & Attewell, P. (2019). The relationship between work during college and post college earnings. *Frontiers in Sociology*, 4, 78.
- [3] Oseifuah, E. K. (2014). Analysis of the level of financial literacy among South African undergraduate students. *Journal of Economics and Behavioral Studies*, 6(3), 242– 250.
- [4] Zulfaris, M. D., Mustafa, H., Mahussin, N., Alam, M. K., & Daud, Z. M. (2020). Students and money management behavior of a Malaysian public university. *The Journal of Asian Finance, Economics and Business*, 7(3), 245–251.